

Adopted	Rejected
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COMMITTEE REPORT

YES:	12
NO:	0

MR. SPEAKER:

Your Committee on Public Policy and Veterans Affairs, to which was referred Senate Bill 140, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 4-32-6-4.5 IS ADDED TO THE INDIANA
- 4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 5 [EFFECTIVE UPON PASSAGE]: **Sec. 4.5. "Bona fide business**
- 6 **organization" means a local organization that is not for pecuniary**
- 7 **profit and is exempt from federal income taxation under Section**
- 8 **501(c)(6) of the Internal Revenue Code."**
- 9 Page 1, between lines 13 and 14, begin a new paragraph and insert:
- 10 "SECTION 3. IC 4-32-6-20 IS AMENDED TO READ AS
- 11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) "Qualified
- 12 organization" means:
- 13 (1) a bona fide religious, educational, senior citizens, veterans, or
- 14 civic organization operating in Indiana that:
- 15 (A) operates without profit to the organization's members;
- 16 (B) is exempt from taxation under Section 501 of the Internal

1 Revenue Code; and
 2 (C) has been continuously in existence in Indiana for at least
 3 five (5) years or is affiliated with a parent organization that has
 4 been in existence in Indiana for at least five (5) years; or
 5 (2) a bona fide political organization operating in Indiana that
 6 produces exempt function income (as defined in Section 527 of
 7 the Internal Revenue Code).

8 (b) For the purpose of IC 4-32-9-3, a "qualified organization"
 9 includes the following:

- 10 (1) A hospital licensed under IC 16-21.
- 11 (2) A health facility licensed under IC 16-28.
- 12 (3) A psychiatric facility licensed under IC 12-25.
- 13 (4) An organization defined in subsection (a).

14 **(c) For the purpose of IC 4-32-9-9.5, a "qualified organization"**
 15 **includes a bona fide business organization.**

16 SECTION 4. IC 4-32-6-20.2 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: **Sec. 20.2. "Qualified personal**
 19 **property" means personal property leased by a qualified**
 20 **organization that is:**

- 21 **(1) designed to be used on a body of water; and**
- 22 **(2) used to conduct a raffle associated with the qualified**
 23 **organization's allowable event in the following manner:**
 - 24 **(A) Each item of the personal property is marked with a**
 25 **number corresponding to the number of a chance**
 26 **purchased in a raffle.**
 - 27 **(B) The winner of the raffle is determined by the number**
 28 **of the item of personal property that crosses a designated**
 29 **finish line on the body of water first."**

30 Page 2, between lines 7 and 8, begin a new paragraph and insert:

31 **"(c) The department may not adopt a rule under IC 4-22-2 to**
 32 **limit the rent that may be charged to a qualified organization to**
 33 **lease qualified personal property.**

34 SECTION 6. IC 4-32-9-9.5 IS ADDED TO THE INDIANA CODE
 35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: **Sec. 9.5. (a) The commissioner may issue an**
 37 **annual door prize license to a qualified organization if:**

- 38 **(1) the provisions of this section are satisfied; and**

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the department under IC 4-32-11.

(b) Each officer of a qualified organization that signs an application for an annual door prize license under this section must live in the county where the proposed door prize events will be held.

(c) The application for an annual door prize license must contain the following:

(1) The name of the qualified organization.

(2) The location where the door prize events will be held.

(3) The names of the operator and officers of the qualified organization.

(d) A license issued under this section:

(1) may authorize the qualified organization to conduct door prize events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted door prize events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the department and upon the licensee's payment of a fee set by the department.

(e) The commissioner may reject an application for an annual door prize license if, after a public hearing, the commissioner determines that the applicant:

(1) has violated a local ordinance; or

(2) has engaged in fraud, deceit, or misrepresentation."

Page 2, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 8. IC 4-32-9-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) Except as provided in subsection (d), if facilities are leased for an allowable event, the rent may not:

(1) be based in whole or in part on the revenue generated from the event; or

(2) exceed two hundred dollars (\$200) per day.

(b) A facility may not be rented for more than three (3) days during a calendar week for an allowable event.

(c) If personal property is leased for an allowable event, the rent may not be based in whole or in part on the revenue generated from the event.

(d) If a qualified organization conducts an allowable event in conjunction with or at the same facility where the qualified organization or its affiliate is having a convention or other meeting of its membership, facility rent for the allowable event may exceed two hundred dollars (\$200) per day. A qualified organization may conduct only one (1) allowable event under this subsection in a calendar year.

(e) If qualified personal property is leased for an allowable event, the rent may not be based in whole or in part on the revenue generated from the event. However, the department may not limit the amount of the rent charged to the qualified organization for the qualified personal property.

SECTION 9. IC 4-32-9-37 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 37. A person that leases qualified personal property to a qualified organization is not considered to be an operator or a worker for the allowable event in which the qualified personal property will be used.**

SECTION 10. IC 4-32-9-38 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 38. The department may not deny a qualified organization's application for a license under this article on the basis of the amount of rent charged to the qualified organization to lease qualified personal property.**

SECTION 11. IC 4-32-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3. The license fee that is charged to a qualified organization that renews the license must be based on the total gross revenue of the qualified organization from allowable events and related activities in the preceding year or, if the qualified organization held a license under IC 4-32-9-6, through IC 4-32-9-7, IC 4-32-9-8, IC 4-32-9-9, or IC 4-32-9-10, the fee must be based on the total gross revenue of the qualified organization from the preceding event and related activities, according to the following schedule:**

Class	Gross Revenues	Fee
	At Least	But Less Than

1	A	\$	0	\$	15,000	\$	25
2	B	\$	15,000	\$	25,000	\$	75
3	C	\$	25,000	\$	50,000	\$	200
4	D	\$	50,000	\$	75,000	\$	350
5	E	\$	75,000	\$	100,000	\$	600
6	F	\$	100,000	\$	150,000	\$	900
7	G	\$	150,000	\$	200,000	\$	1,200
8	H	\$	200,000	\$	250,000	\$	1,500
9	I	\$	250,000	\$	300,000	\$	1,800
10	J	\$	300,000	\$	400,000	\$	2,500
11	K	\$	400,000	\$	500,000	\$	3,250
12	L	\$	500,000	\$	750,000	\$	5,000
13	M	\$	750,000	\$	1,000,000	\$	6,750
14	N	\$	1,000,000	\$	1,250,000	\$	8,500
15	O	\$	1,250,000	\$	1,500,000	\$	10,000
16	P	\$	1,500,000	\$	1,750,000	\$	12,000
17	Q	\$	1,750,000	\$	2,000,000	\$	14,000
18	R	\$	2,000,000	\$	2,250,000	\$	16,250
19	S	\$	2,250,000	\$	2,500,000	\$	18,500
20	T	\$	2,500,000	\$	3,000,000	\$	22,500
21	U	\$	3,000,000			\$	25,000".

- 1 Page 2, line 23, delete "45 IAC 18-3-7 and" and insert "**45**
- 2 **IAC 18-3-2(f), IC 45 IAC 18-3-7, and**".
- 3 Page 2, line 25, delete "sections" and insert "**provisions**".
- 4 Renumber all SECTIONS consecutively.
 (Reference is to SB 140 as printed February 2, 2005.)

and when so amended that said bill do pass.

Representative Alderman